

STATE OF MINNESOTA  
RENVILLE COUNTY BOARD OF COMMISSIONERS  
SITTING AS THE DRAINAGE AUTHORITY FOR  
RENVILLE COUNTY DITCH 59

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In the Matter of the  
Petition for Improvement to Renville CD 59  
(Main Open Ditch, Branch 309, & Branch C)  
(Roger Heller, et al.)

**RESOLUTION RELATING TO FINANCING OF  
PROPOSED PROJECT, ESTABLISHING  
COMPLIANCE WITH REIMBURSEMENT BOND  
REGULATIONS UNDER THE INTERNAL  
REVENUE CODE**

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On March 5, 2024, at a duly noticed and public meeting of the Renville County Board of Commissioners ("County"), sitting as the public drainage authority under Minnesota Statutes, chapter 103E for Renville County Ditch 59, Commissioner Frickson moved, seconded by Commissioner Robinson, to adopt the following Resolution:

1. Recitals.

(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the County prior to the date of issuance.

(b) The Regulations generally require that the County make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of bonds within 60 days after payment of the expenditures, that the bonds be issued and the reimbursement allocation be made from the proceeds of such bonds within the reimbursement period (as defined in the Regulations), and that the expenditures reimbursed be capital expenditures or costs of issuance of the bonds.

(c) The County desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified.

(d) A petition was filed by Attorney Jeff Braegelmann on behalf of petitioners Roger Heller (Power of Attorney for Ruth Heller and Noami Endter); Robb & Megan Zenk; Daniel W. & Cheryl Rauenhorst; James & Dianne Zenk; Wat Family Farms LC; Aakre Family Farms, LLC; Carol J. Lippert; and Gary Verzalik, for the improvement of Renville County Ditch 59 (Main Open Ditch, Branch 309, and & Branch C) with the Renville County Auditor-Treasurer pursuant to Minnesota Statutes, section 103E.215.

(e) The County, as the public drainage authority for Renville County Ditch 59 under Minnesota Statutes, chapter 103E, initiated proceedings, held a preliminary hearing, and noticed a final hearing to be held on March 5, 2024.

(f) Until establishment of the proposed drainage project, the petitioners' bond will cover costs incurred in the proceedings. However, if the County establishes the project, all costs, including the costs of proceedings prior to establishment, must be paid from the proceeds of assessments to benefitted properties. The County may incur costs on behalf of the drainage system prior to bonding for the project.

(g) Minnesota Statutes, section 103E.655 requires the costs for drainage project proceedings and construction to be paid from the drainage system account by drawing on the account. Statutes, section 103E.645 requires the payment of fees and expenses.

(h) Minnesota Statutes, section 103E.655 allows the County, in the event the drainage system account is insufficient to pay costs, to transfer money from another account to pay costs until such time as alternative financing is in place to cover costs.

(i) Minnesota Statutes, section 103E.635 authorizes the County to issue bonds after the contract for the construction of a drainage project is awarded, in an amount necessary to pay the cost of establishing and constructing the drainage project, such bonds to be in an amount not in excess of the total cost, including expenses, to be assessed to pay for the drainage system project.

2. Official Intent Declaration.

(a) The County proposes to undertake the following project and to make original expenditures with respect thereto prior to the issuance of reimbursement bonds, and reasonably expects to issue reimbursement bonds for such project or projects in the maximum principal amounts shown below:

<u>Project</u>	<u>Maximum Amount of Bonds Expected to be Issued for Project</u>
Improvement to CD 59 (Main Open Ditch, Branch 309, and & Branch C)	\$5,750,000

(b) Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, the County will not seek reimbursement for any original expenditures with respect to the foregoing projects paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which

reimbursement is sought will be capital expenditures or costs of issuance of the reimbursement bonds.

3. Budgetary Matters. As of the date hereof, there are no County funds reserved, pledged, or allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the project, other than pursuant to the issuance of the reimbursement bonds. Consequently, it is not expected that the issuance of the reimbursement bonds will result in the creation of any replacement proceeds.

4. Payment of Costs & Reimbursement Allocations.

(a) If the proposed drainage improvement project is established, payment of costs in the current proceedings may be paid from the reserve account, or from interim financing from the County, until such time as alternative financing or bonding is in place to cover costs.

(b) Payment of costs may be reimbursed by the issuance of tax-exempt bonds, issued pursuant to Minnesota Statutes, sections 103E.635 through 103E.641, inclusive.

(c) The County's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the reimbursement bonds to reimburse the source of temporary financing used by the County to make payment of the original expenditures relating to the projects. Each reimbursement allocation shall be made within 30 days of the date of issuance of the reimbursement bonds, shall be evidenced by an entry on the official books and records of the County maintained for the reimbursement bonds and shall specifically identify the original expenditures being reimbursed.

5. The above recitals are incorporated herein by this reference as if they were set forth herein in their entirety.

After discussion, the Board Chair called the question. The question was on the adoption of the foregoing Resolution, and there were 4 yeas, 0 nays, 1 absent, and 0 abstentions as follows:

	Yea	Nay	Absent	Abstain
ERICKSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HAMRE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KRAMER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ROBINSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SNOW	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



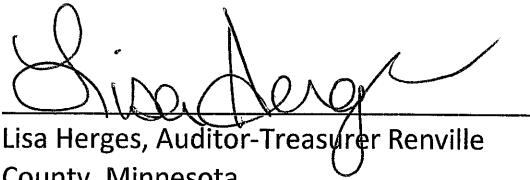
Randy Kramer, Chairperson  
Renville County Board of Commissioners

Dated: March 5, 2024

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I, Lisa Herges, Renville County Auditor-Treasurer, do hereby certify that I have compared the above motion and resolution with the original thereof as the same appears of record and on file with the Renville County Drainage Authority and find the same to be a true and correct transcript thereof. The above resolution was filed with me, Renville County Auditor-Treasurer, on March 5, 2024.

IN TESTIMONY WHEREOF, I hereunto set my hand this 5th day of March, 2024.



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Lisa Herges, Auditor-Treasurer Renville  
County, Minnesota

